

ROU Brief - 1/10/96

For: AVP/RSM/RBM/ROM/KAM/RM-DFM/MC/PC/PRC/SC

FSC-3-A

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PERSONNEL

➡ General Sales Workers and the Sales Expense System

Many Region Operations Units have requested the job title General Sales Workers be given the ability to submit expenses via the Sales Expense System. With the decentralization of division offices, it was felt that such access would streamline the current process of having the employees turn all expenses into his or her Manager for relmbursement, thus requiring the Manager to submit an expense report for reimbursement from the Company.

Therefore, effective January 1, 1996, the job title of General Sales Worker has been established as a valid iob code which can submit expenses via the Sales Expense System. It is the responsibility of each Field Sales Manager who wishes to allow his or her General Sales Workers to submit such expenses via biweekly expense reports to train the employee(s) in how to complete the biweekly expense reports, procedures as to submission of the reports to the Region Operation Unit for input into SES and explain how the reimbursements will be delivered to the employee (i.e. direct deposit or check). Also, if the employee is submitting expenses for an unassigned vehicle (Company van), then the employee must be instructed to submit these expenses via a "001" analysis code.

PERSONNEL (continued)

This position will not be eligible for assignment of a Company vehicle nor be eligible for the issuance of draft books or computer equipment.

Program Contact: Mike Judkins, extension #0472

⇒ General Employee Bonus Plan Payment Schedule

In December, you were advised of the anticipated pay dates for both the Sales Incentive Award Plan and the General Employee Bonus Plan. Please be advised that due to the final Company results not having been approved, the General Employee Bonus Plan payments will be re-scheduled to be paid on the dates of 2/15/96 (monthly employees) and 2/16/96 (bi-weekly employees). No other details of the program have changed, only the scheduled payment dates.

Program Contact: Mike Judkins, extension #0472

1996 Company Paid Holiday Schedule

The designated Company paid holidays which were previously communicated to you should have shown the Independence Day holiday as Thursday, July 4. The original listing showed by calendar day as being Tuesday which is incorrect.

Program Contact: Mike Judkins, extension #0472

SYSTEMS/ADMINISTRATION

→ <u>Tobacco Industry Highlights Flaws in FDA</u> Proposal

On January 2, 1996, major U.S. cigarette manufacturers submitted approximately 2,000 pages of comments and 45,000 pages of supporting information on the Food and Drug Administration's proposed rule to create a massive, unlawful and unnecessary bureaucratic system to regulate cigarettes.

The industry's comments outline the unprecedented legal, scientific, economic, practical and procedural deficiencies in this rulemaking procedure. For example:

- As FDA has consistently recognized, FDA has no jurisdiction over any brand of cigarette unless a manufacturer makes therapeutic claims for that brand.
 - For nearly 90 years, Congress has withheld from the FDA any authority to regulate cigarettes.
 - FDA has misinterpreted and distorted its own statute in its attempts to extend its authority to regulate cigarettes.
- FDA's proposed regulations would violate the First Amendment and other constitutional provisions. They are also precluded by various federal acts.
- FDA's regulatory effort is the first step down the road to backdoor prohibition of cigarettes. In his attempts to prohibit smoking, FDA Commissioner Dr. David Kessler has repeatedly and intentionally mischaracterized the youth smoking problem. For example:
 - The government's own data reveal that significant smoking does not generally occur until the late teenage years. These data show that minors under age 15 are unlikely to have smoked in the previous 30 days. Even among minors who have smoked in the previous week, two-thirds smoked fewer than four cigarettes per day. Most minors smoking at such low levels do not become daily smokers. (1993 Teenage Attitude and Preference Survey).

SYSTEMS/ADMINISTRATION (continued)

- Although young people may experiment with cigarettes while they are underage, the vast majority never become "smokers," even under the broad definition of what constitutes a "smoker" used by FDA.
- Dr. Kessler's repeated claim that "3,000 kids a day begin to smoke" is blatantly false. The study from which the "3,000 per day" number is derived did not refer to kids at all: that study looked only at 20-year-old adults.

Program Contact: Seth Moskowitz, extension #7698

→ Forsyth Alliance Accrual Reports

The Alliance Accrual Aged Trial Balance reports you recently received for your Forsyth Private Label accounts inadvertently stated the month as September. These reports were run on December 12, 1995, and reflected balances available as of the end of November. We apologize for any confusion this may have caused.

Program Contact: Jim Farmer, extension #0470

Military Manual

The entire Military Manual is now available to all ROU on F3 Fill.

Program Contact: Mary Benbow, extension #7116

→ 1996 Contract Pay Register Schedule

Attached is the 1996 schedule for the Contract Pay Register. Please Note: First, Second and Fourth Quarters have been moved up to accommodate the 1996 Holiday Schedules.

Program Contact: Dennis Jacobs, extension #1760

SYSTEMS/ADMINISTRATION (continued)

★FDA's Proposal Contradicts FDA's Own Research

FDA's proposal to severely restrict cigarette advertising and promotion in the name of reducing youth smoking contradicts FDA's own research, which clearly shows that underage teens begin to smoke because of their exposure to friends and family members who smoke, not because of advertising.

In recently published focus group studies [60 Fed. Reg. 61,670 (1995).], FDA itself reported that:

- "Most of the participants indicated that they did not believe that they were influenced by cigarette advertisements."
- Group participants identified "peer pressure; the desire to do something they perceived to be an adult activity; and as a way to rebel against their parents, either overtly or covertly" as the reasons for underage smoking.

Enforcement of access restrictions and greater parental involvement in discouraging underage smoking would have a far greater impact on reducing underage smoking, and would be far less intrusive and burdensome, than FDA's proposed restrictions on cigarette advertising, promotions and sponsorships.

In fact, FDA's own sister agency — the Substance Abuse and Mental Health Services Administration — has recognized that enforcing access restrictions alone will achieve <u>all</u> the benefits FDA seeks to realize from its entire package of regulations.

Reynolds Tobacco has long been a strong advocate of enforcing the laws that prohibit minors' access to cigarettes. The company has developed and sponsored a variety of programs to respond to underage smoking. The programs, among other things, educate retailers about the importance of enforcing laws prohibiting the sale of cigarettes to minors, help parents talk to their children about not smoking, and help kids withstand the peer pressure to smoke.

Program Contact: Seth Moskowitz, extension #7698

WORKPLAN

→ Posting Function for WAM Accounts-BPE System

Posting function P40 for WAM accounts will be available in BPE on Monday, January 15. You may post at the account level or at the direct account level using your WAM templates.

It is important that you communicate with your KAM or AM to ensure that each promotion has been shipped from the direct account to the retail account prior to posting activity. "Early posting" should not take place for any promotions that have not been placed at retail.

Program Contact: Sharon Reid, extension #2584

1995 QUARTERLY CONTRACT PAY REGISTER SCHEDULE

ACTIVITY	1ST QTR	2ND QTR	3RD QTR	4TH QTR
Projected Preliminary Extraction Date	3/11/95	6/10/95	9/9/95	12/9/95
Preliminary Pay Register Extraction Date	4/1/95	7/1/95	9/30/95	12/30/95
Field Sales Approval Dates:				
Week 1 Week 2 Week 3 Week 4	4/6/95 4/13/95 4/20/95 4/27/95	7/13/95 7/20/95 7/27/95 8/3/95	10/5/95 10/12/95 10/19/95 10/26/95	1/11/96 1/18/96 1/25/96 2/1/96
Customer Checks Dated and Mailed:				
Week 1 Week 2-4	4/10/95 5/1/95	7/17/95 8/7/95	10/9/95 10/30/95	1/15/96 2/5/96

Note: The last day for changes to a pay register prior to extraction is the Friday before the extraction on Saturday. The first day that a pay register is available for field use is the Monday after the extraction on Saturday.

1/10/96